

**CCC-955 Appendix**  
(03-08-05)

U.S. DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation

**APPENDIX TO FORM CCC-955, TOBACCO TRANSITION PAYMENT QUOTA HOLDER CONTRACT**

**1 PURPOSE**

This CCC-955 Appendix is incorporated by reference as a part of the Tobacco Transition Payment Quota Holder Contract form CCC-955. The definitions and provisions contained in this Appendix are terms and conditions of the Tobacco Transition Payment Program (TTPP). These terms and conditions are provided to eligible quota holders before they sign the Tobacco Transition Payment Quota Holder Contract so they understand the terms and provisions of the TTPP. An eligible quota holder who signs the CCC-955 signifies agreement with the terms and conditions contained in the CCC-955 Appendix.

**2 DEFINITIONS**

- A Base Quota Level** means payment pounds as determined in accordance with 7 CFR part 1463.
- B CCC** means the Commodity Credit Corporation, an agency and instrumentality of the United States within the Department of Agriculture.
- C Fiscal Year** means the twelve-month period from October 1 through September 30.
- D Payment Rate** means the rate per pound that an eligible tobacco quota holder will receive for the amount of Base Quota Level (BQL) pounds. The payment rate is \$7.00 per pound of BQL to be paid in 10 annual installments.
- E Tobacco** means the following kinds of tobacco:
- (1) Flue-cured
  - (2) Fire-cured
  - (3) Dark air
  - (4) Virginia Sun
  - (5) Virginia Fire
  - (6) Burley
  - (8) Cigar filler and Cigar binder
- F Tobacco Quota Holder** means a person that was an owner of a farm as of October 22, 2004, for which a basic tobacco farm marketing quota or farm acreage allotment for quota tobacco was established for the 2004 tobacco marketing year.
- G Tobacco Transition Payment Quota Holder Contract or CCC-955** means the program documents including form CCC-955 and CCC-955 (Appendix) entered into between CCC and the participant.
- H** All other words and phrases, unless the context of subject matter otherwise requires, shall have the meanings assigned to them in the regulations governing the TTPP which are found at 7 CFR Part 1463.

**3 CONTRACT**

The participant agrees that:

- A** The applicable CCC-955 shall be considered an offer to enter into a Tobacco Transition Payment Quota Holder Contract on the terms specified on Form CCC-955.
- B** Only an eligible 'tobacco quota holder,' as defined in paragraph 2F of this appendix is entitled to earn and retain a tobacco transition payment under this contract.
- C** The quota on the farm has not been transferred to another farm.

- D** One CCC-955 per eligible tobacco quota holder per kind of tobacco may be filed for any farm, and one such CCC-955 must be filed with respect to each county in which the quota holder qualifies for 2 TTPP.
- E** Any payment due any participant will be made by CCC without regard to any question of title under State law, and without regard to any claim or lien which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to participants or their assignees.
- F** The CCC-955 becomes effective when signed by the participant and CCC.
- G** After a CCC-955 becomes effective the participant may sell all or a portion of the farm and still receive TTPP payments.
- H** After a CCC-955 becomes effective, if the participant dies the right to receive payments shall be transferred to the estate of the participant unless such person is survived by a spouse in which case the right to receive the payments shall, in all cases, be transferred to the surviving spouse.
- I** Payments will be made in January of each fiscal year to the extent determined practicable by CCC, except that in the case of the 2005 fiscal year payment, payment will be made by September, 2005.
- J** The participant may convey the right to receive contract payments to another person by signing CCC-957 'Tobacco Transition Payment Quota Holder Successor In Interest Contract' so long as consideration for the succession is not less than the discount rate established by CCC. The CCC discount rate does not apply to successor in interest contracts between immediate family members or parties that assigned quota to land under separate ownership with consent of the owner prior to October 22, 2004.
- K** The participant may only assign the right to receive a TTPP payments to another Tobacco Transition Payment Program Assignment of Payment so long as consideration for the assignment is not less than the discount rate established by CCC. The CCC discount rate does not apply to assignments between immediate family members or parties that assigned quota to land under separate ownership with consent of the owner prior to October 22, 2004.
- L** The CCC discount rate will be equal to the prime rate, determined by CCC, plus two percentage points rounded to the nearest whole number (for .5 and above, round up).
- M** A participant may obtain reconsideration and review of any adverse determination in accordance with the appeal regulations found at 7 CFR parts 11 and 780.
- N** The regulations at 7 CFR Part 1463 are incorporated by reference as part of this contract.

#### **4 LOSS OF BENEFITS**

- A** If CCC determines a participant erroneously or fraudulently represented any fact affecting a determination to be made by CCC under this contract, or knowingly adopted any scheme or device which tends to defeat the purpose of this contract, the contract shall be terminated. Upon termination, the participant shall forfeit all rights to contract payments and shall refund to CCC all contract payments received by the participant, plus interest.
- B** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil fraud statutes, including, but not limited to, 18 U.S.C. 86, 287, 371, 641, 1001; 15 U.S.C. 714; AND 31 U.S.C. 379 .